

**GOVERNMENT OF INDIA  
LABOUR AND EMPLOYMENT  
LOK SABHA**

UNSTARRED QUESTION NO:3655  
ANSWERED ON:18.12.2006  
INVESTMENT OF EPFO MONEY  
Madhwaraj Smt. Manorama

**Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:**

- (a) whether the Employees Provident Fund Organisation (EPFO) has decided to confine investment only to debt papers despite the permission from the Ministry of Finance to invest incremental deposits in shares and mutual funds;
- (b) if so, whether this would render funds idle without earning any returns;
- (c) if so, whether the EPFO will be facing additional liabilities by December, 2006 because of redemption from the erstwhile Special Deposit Scheme (SDS); and
- (d) if so, the steps being taken by EPFO to avert the projected loss of Rs. 300 crores for the current fiscal?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES)

(a) to (d): All monies belonging to the Fund are invested in accordance with the pattern of investment prescribed by the Government from time to time. Though the Investment Pattern prescribed by the Ministry of Finance vide its notification No. F.5(53)/2002-ECB&TR dated 24.01.2005 provides for an option for investment in equities, the same is yet to be notified by the Ministry of Labour & Employment for the purpose of investment of monies belonging to Employees' Provident Fund. Funds are not kept idle when appropriate investment opportunities exist.

The investment are made by the Fund Manager, namely, the State Bank of India keeping in view the risk-return prospects and in accordance with the existing pattern of investment.